

AUG 17 2005

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI
STATE OIL AND GAS BOARD
WALTER BOONE, SUPERVISOR

RE: PETITION OF JACK L. PHILLIPS CO. FOR APPROVAL
TO AMEND THE SPECIAL FIELD RULES OF
CRAWFORD CREEK FIELD, WAYNE COUNTY,
MISSISSIPPI

DOCKET NO. 94-2005-412ORDER NO. 293-2005

ORDER

THIS MATTER came on for hearing before the State Oil and Gas Board on the Petition of Jack L. Phillips Co. to amend the Special Field Rules for Crawford Creek Field, such hearing being called for such purpose; and

WHEREAS, the Board finds that due, proper and legal notice of the meeting of the Board for the purpose of considering and taking action with respect to such matter was given in the manner and way provided by law and the rules and regulations of the Board; that due, legal and sufficient proofs of publication and service are on file with the Board; and that the Board has full jurisdiction of the subject matter to hear and determine same; and

WHEREAS, pursuant to said notice and service of process, public hearing was held by said Board, in the hearing room, 500 Greymont Avenue, Suite E, Jackson, Mississippi, commencing on July 20, 2005, at which hearing all persons present who desired to be heard on said matter were heard and all testimony and evidence were duly considered by those present at said meeting; and

WHEREAS, the Board has fully considered said matter and the evidence and recommendations made in said hearing and finds as follows:

1. By Order No. 313-96, Docket No. 207-96-412, dated August 21, 1996, this Board last amended the Special Field Rules for Crawford Creek Field in order to define the Cotton Valley "A" Oil Pool and the Cotton Valley "B" Oil Pool for primary drilling and development thereof. By Order No. 366-96, Docket No. 240-96-412 dated October 16, 1996, this Board entered an Order creating the Crawford Creek Fieldwide Unit for the Cotton Valley "B" Oil Pool as to certain lands.

2. By Order No. 93-2005, Docket No. 49-2005-412, dated effective March 16, 2005, this Board approved Petitioner's Amended Plan of Unitization for Crawford Creek Field. The amended plan was necessary to add, to the unitized substances of the current fieldwide unit, the Cotton Valley "A" Oil Pool as currently defined in the Special Field Rules

and all extensions of the Cotton Valley formation and extend the geographical limits of the Crawford Creek Fieldwide Unit by adding that portion of the "Hutto 28-9 No. 1 Well Unit" not previously included within the unit area. Subsequently, Petitioner has filed a Motion for Supplemental Order in Docket 49-2005-412 placing said Amended Plan of Unitization into effect pursuant to Miss. Code Ann. §53-3-109 (Supp. 2004). This motion was heard and approved by this Board at the regular July 20, 2005 meeting of the State Oil and Gas Board.

3. Therefore, it is necessary and appropriate that the Special Field Rules of Crawford Creek Field be amended to reflect the existence of the Amended Fieldwide Unit and to allow for fieldwide unit spacing with respect to the Cotton Valley Formation.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules of Crawford Creek Field, Wayne County, Mississippi shall be and are hereby amended to read as follows:

EXHIBIT "A"

**SPECIAL FIELD RULES
FOR CRAWFORD CREEK FIELD IN
WAYNE COUNTY, MISSISSIPPI**

A. FIELD AREA

Crawford Creek Field in Wayne County, Mississippi, as used herein, is that area consisting of the following described land, to-wit:

**Wayne County, Mississippi
Township 7 North, Range 7 West**

Section 21: E 1/2 SW 1/4 and E 1/2

Section 22: W 1/2

Section 27: W 1/2

Section 28: All

Section 29: E 1/2 SE 1/4

Section 32: E 1/2

Section 33: All

which area is underlain by any one or more of the hereinafter defined pools, and those strata productive of hydrocarbons which can be correlated therewith.

The Crawford Creek Cotton Valley Unitized Oil Pools Fieldwide Unit, as used herein, is that area consisting of the following described land, to-wit:

TOWNSHIP 7 NORTH, RANGE 7 WEST

- Section 21:** SE 1/4 NE 1/4,
E 1/2 SW 1/4 NE 1/4,
SE 1/4 &
E 1/2 E 1/2 SW 1/4;
- Section 22:** SW 1/4 SW 1/4 NW 1/4,
W 1/2 SW 1/4, &
W 1/2 E 1/2 SW 1/4;
- Section 27:** W 1/2 E 1/2 NW 1/4,
W 1/2 NW 1/4; &
W 1/2 W 1/2 SW 1/4;
- Section 28:** NE 1/4,
E 1/2 E 1/2 NW 1/4,
E 1/2 SE 1/4,
E 1/2 W 1/2 SE 1/4 &
E 1/2 W 1/2 NW 1/4 SE 1/4.

Containing a total of 880 acres, more or less.

B. POOL DEFINITIONS

1. The **Hosston Oil Pool** in Crawford Creek Field shall be construed to mean those strata of the Hosston Formation which are productive of hydrocarbons in the interval between the measured depths of 11,880 feet to 12,372 feet in the Damson Oil Corporation – P. Paterson Well No. 1, located in the NE 1/4 of the NE 1/4 of Section 28, Township 7 North, Range 7 West, Wayne County, Mississippi, as indicated on the electric log of said well, and those strata that are correlative therewith.
2. The **Cotton Valley “A” Oil Pool** in Crawford Creek Field shall be construed to mean those strata of the Cotton Valley Formation which are productive of hydrocarbons in the interval between the measured depths of 13,898 feet to 14,630 feet in the Jack L. Phillips – Mamie Spottswood 21-16 Well No. 1, located in the SE 1/4 of the SE 1/4 of Section 21, Township 7 North, Range 7 West, Wayne County, Mississippi, as indicated on the Schlumberger Dual Induction Log of said well, and those strata that are correlative therewith.
3. The **Cotton Valley “B” Oil Pool** in Crawford Creek Field shall be construed to mean those strata of the Cotton Valley Formation which are productive of hydrocarbons in the interval between the measured depths of 15,025 feet to 15,340 feet in the Jack L. Phillips – Mamie Spottswood 21-16 Well No. 1, located in the SE 1/4 of the SE 1/4 of Section 21, Township 7 North, Range 7 West, Wayne County, Mississippi, as indicated on the Schlumberger Dual Induction Log of said well, and those strata that are correlative therewith.

4. The Cotton Valley Unitized Oil Pools in Crawford Creek Field shall be construed to mean those strata of the Cotton Valley Formation which are productive of hydrocarbons in the interval between the measured depths of 13,360 feet to 15,790 feet in the Jack L. Phillips Co. – Patterson 28-7 No. 1 Well, located in the SW 1/4 of the NE 1/4 of Section 28, Township 7 North, Range 7 West, Wayne County, Mississippi, as indicated on the Schlumberger Dual Induction Log of said well, and those strata correlative therewith.

C. SPACING OF WELLS

1. With respect to the Hosston Oil Pool, every well drilled in and produced from such pool:
 - (a) Shall be located on a drilling unit consisting of eighty (80) surface contiguous acres, or two (2) governmental quarter-quarter sections containing not less than seventy-two (72) acres or more than eighty-eight (88) acres, upon which no other well drilling to or producing from the same pool is located:
 - (b) Any drilling unit not composed of two (2) governmental quarter-quarter sections must be completely encompassed by the perimeter of a rectangle 1,600 feet by 2,725 feet; provided, however, no unit shall be permitted which will create island acreage.
 - (c) Shall be located at least 1,000 feet from every other drilling or producible well located in conformance with this rule.

2. With respect to the Cotton Valley “A” Oil Pool and the Cotton Valley “B” Oil Pool not included in the Cotton Valley Unitized Oil Pools Fieldwide Unit, every well drilled in and produced from such pools:
 - (a) Shall be located on a drilling unit consisting of a governmental quarter section containing not less than one hundred forty-four (144) acres or more than one hundred seventy-six (176) acres upon which no other well drilling to or producing from the same pool is located; or
 - (b) Shall be located on a drilling unit consisting of four (4) contiguous governmental quarter-quarter sections containing not less than one hundred forty-four (144) acres or more than one hundred seventy-six (176) acres upon which no other well drilling to or producing from the same pool is located:
 - (c) Any drilling unit not formed under Section 2(a) or Section 2(b) shall contain one hundred sixty (160) surface acres which must be completely encompassed by the perimeter of a rectangle 2,640 feet by 3,500 feet; provided, however no unit shall be permitted which will create island acreage.

- (d) Each well shall be located at least 1,500 feet from every drilling or producible well from the same pool and not less than 750 feet from every exterior boundary of the drilling unit.
3. With respect to the Cotton Valley Unitized Oil Pools within the Cotton Valley Unitized Oil Pools Fieldwide unit, every well drilled in and produced from such pools
- (a) Shall be located within the Cotton Valley Unitized Pools Fieldwide Unit boundaries;
- (b) Shall be approved by the operator and the working interest owners, in accordance with the Amended Plan of Unitization, and approved by the Oil and Gas Supervisor upon administrative application; and
- (c) Shall be located at least 750 feet from the Cotton Valley Unitized Oil Pools Fieldwide Unit boundaries.
4. Spacing of all other wells shall be the same as provided in the Statewide Field Rules.

D. APPLICABILITY OF STATEWIDE RULES

1. All rules and regulations contained in the Statewide Rules, as amended, which are not specifically covered by the foregoing Special Field Rules are hereby adopted and shall apply to Crawford Creek Field.
2. The Board expressly reserves the right, after notice and hearing, to alter, amend, or repeal any and all of the foregoing rules and regulations.

ORDERED AND ADJUDGED this 17th of August 2005, effective July 20, 2005.

MISSISSIPPI STATE OIL AND GAS BOARD

By: 

VICE CHAIRMAN

OF COUNSEL:

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